जो बातें कही हैं, उन पर गंभीरता से विचार किया जाएगा और कोई ठीक प्रकार का प्रतिनिधित्व हो जाए, इस प्रकार की कोशिश रहेगी। धन्यवाद।

उपसभापति: यह कोशिश कीजिएगा कि हिंदुस्तान के लेबर के हित में, हिन्दुस्तान की इंडस्ट्रीज के हित में, हिंदुस्तान के प्रॉडक्ट्स के हित में ही सब काम हो। उनके हितों के खिलाफ कोई दबाव नहीं पड़ना चाहिए। ठीक है, ना?

THE DEPUTY CHAIRMAN: Now, we take up the Statutory Resolution. Miss Saroj Khaparde. Not present. Shri R. Margabandu. Not present. Now, the Minister to move the Bill.

THE INCOME-TAX (AMENDMENT) BILL, 1998

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. K. KUMAR): Madam Chairperson, I beg to move—

> "That the Bill further to amend the Income-Tax Act, 1961, as passed by Lok Sabha, be taken into consideration."

The Bill seeks to replace the Income-Tax (Amendment) Second Ordinance (No. 28 of 1997) promulgated on 26th December, 1997, and to further amend the Income-Tax Act, 1961, mainly to provide certain tax incentives to industrial undertakings engaged in the business of power generation, commercial production of mineral oil and construction of highway infrastructure. The Bill has been passed by the Lok Sabha on 30th March, 1998.

Section 32 of the aforesaid Act, as it stands today, does not provide for a straightline method of depreciation. With a view to enable power generating units to depreciate their capital assets in a straightline method at the same rate at which it is reimbursed to the power producing companies by the State Electricity Board under the Electricity (Supply) Act, 1948, it is proposed to make amendment in Section 32 of the Income-tax Act. With this amendment, there will be lower tax reimbursement by the State Electricity Boards and, consequently, a lower power tariff rate for the consumer. Secondly, I also propose to amend Section 80-1A of the Income tax Act to provide incentives to mineral oil, power and highway projects and in respect of industrial undertakings located in backward districts. I propose to extend the benefit of deduction available to undertakings commencing production of mineral oil in the North-Eastern region, after the Ist day of April, 1997, to other parts of the country. I also propose to extend the benefit of deduction available to infrastructure facility to housing and other developmental activities which are an integral part of a highway project with the condition that the profits of such housing and other development activities are ploughed back to highway projects within a period of three years. In case of such projects, I am also extending the time limit for availing the tax holiday from twelve years to twenty years, that is, the undertakings can claim the deduction in any ten consecutive years out of a period of twenty years. The existing Income-tax Act permits tax holiday benefit to undertakings which begin to generate or generate and distribute power up to 31st March, 1998. In order to attract new investments in the power sector, I propose to extend this date up to 31st March, 2000. I further propose to provide for a five year tax holiday to undertakings located in the notified industrially backward districts of category 'A' and a three year-tax holiday to undertakings located in the notified industrially backward districts of category 'B' subject to the condition that such undertakings begin to manufacture or produce articles or things or to operate cold storaged plant or plants at any time during the period from 1.10.1994 to 31.3.1999. In both the cases, the tax holiday period will be followed by the benefit of deduction of 25 per cent of profits — 30 per cent in case of companies — for five years to the eligible undertakings. Madam, I am also aware that there are some shortcomings in the determination of categories 'A' and 'B'. The hon. Finance Minister has already promised in the other house that this will

be looked into and any further additions to the backward categories to be made will be considered. With these words, Madam, I hope that these amendments will go a long way in attracting investments in the power, mineral oil and highway projects. These are priority sectors where massive investments are required.

Madam, I commend the Bill for the consideration of the House.

The question was proposed.

SHRI VAYALAR RAVI (Kerala): Madam Deputy Chairperson, this Bill is a follow-up action of the developmental activities which are yet to go in a good speed and it is an attraction to the people who want to invest more and more in different areas.

Madam, this Bill has come after passing through four stages. It was introduced in August 1997. Then it came as an Ordinance. Again it came as a Bill. Again it came as an Ordinance at the last stage of passing the Bill. But the only thing which I am yet to understand is, you are carrying a baby and you cannot claim that it is your baby. Yet, you are bound to carry it. You look at Clause 2. It clearly says that it will come into effect from the first of April 1998. It is this year. But the first Ordinance seems to be issued on August 97. I fail to understand the hastiness on the part of the Government at that time because this is the second Ordinance. In fact, the provision of issuing an Ordinance in the Constitution is being misused for nothing. Heavens will not fall if it is passed through legislature itself. Two Ordinances have been repeated, it has been introduced only for a thing which has to happen in April 1998. I fail to understand it. Anyhow, it has come. Ultimately we are passing the Bill. Sir, the Minister has already said about category (a) and (b) i.e. it was mentioned in clause 3 and the Minister has already said that he will have a fresh look at the categorisation. Sir, a backward district is a backward district. You cannot categorise a backward district as A, B, or C. It is not correct. So all backward districts should be considered under one category. Already this category has been made after a Commission Report. I want you to review the Commission Report. You cannot categorise it. It can be manipulated by many people. Officers can manipulate it; political pressures can be mounted. So make it under one category. That is one point. Secondly, I would like to talk about the misuse of this provision. Sir, what do the industrialists do? It is in the good interest of the Government. It is being misused by certain unscrupulous industrialists. They start an industry and take money from the bank. They start the industry but make it sick. There are many cases. I know some of them. What do you propose to do? In such cases they take loan and make the industry sick only with the intention of extracting the benefit that you have extended to them. Such unscrupulous industrialists should be booked and should not be allowed to misuse this facility. Moreover, Sir another thing which I would like to draw your attention to is Clause 2 which says: "(i) in the case of assets of an undertaking engaged in generation or generation and distribution of power, such percentage on the actual cost thereof to the assessee as may be prescribed;" This is regarding power generation. The biggest shortage in the country today is of power. Every State Government is very eager to have foreign investment, foreign collaboration etc. They are welcome. But the only thing is, the price of a unit of electricity is going up and this House witnessed a big turmoil on Enron which came to Maharashtra a few years ago. As one party, ruling in Maharashtra said, as soon as it comes, we will throw away Enron into the Arabian Sea. Yes, they have thrown it away. Thereafter, the ex-Chief Executive met different people from different political parties. It has come away from the Arabian Sea back to the same position. So the poltical demagogy will not serve any purpose. So Enron had come and my party paid a heavy price for it. We lost the

Government on that issue. But the same Enron is functioning there. I am only suggesting that when you are giving these facilities, you are getting into political turmoil, political crisis and the same people who opposed Enron had to give the clearance. Thereafter, there was a big drama. This kind of drama will not help in having more investment for pruductive purposes. It will not help. So at least some wisdom should come to such people. The point, Madam, which I would like to make is that many State Governments go in for foreign collaboration. I can tell you one case. There was a global tender called by one electricity Board. Seven firms made a bidding. Two firms were rejected for certain reasons. One foreign firm asked for mobilisation advance of 20%. They didn't also have the capacity to give the material of required specifications, that is, six generators out of eight could not be given. It was rejected. Then, a public sector unit came into the picture. This is only one example of how corruption is coming in. That is all that I am saying. So, BHEL came in. BHEL is a public sector unit. It cannot be used as a shelter or as a shield for corrupt practices. the Industry Minister is sitting here. He must understand this. Now, BHEL came into the picture and they have taken the contract. Thereafter, Sir, the same company which was rejected, came in through the back door. That company is of Finland. It is called Vistula. It has come back. They have come with eight generators instead of six. And they have got a mobilisation advance of Rs. 45 crores. It is all through the public sector. Can a public sector institution be a shield for corrupt practice and for the back-door entry of a company which has been rejected? It happened in Kerala, Sir. The Kerala Electricity Board is involved in this practice. I am speaking in support of these Income Tax concessions here and I feel that these concessions are good for attracting foreign investment. But there should be no room for public sector institutions to become a party to such corrupt practices. Public sector institutions should not encourage electricity Boards to get involved in these corrupt practices. Of course, the officers may be innocent. But the political authorities are responsible. I know, the electricity Minister has gone to all these places. But I don't want to go into all those details because this is not the forum to do so. But the political authorities are involved in it. It has happened in Kerala especially. So, I will only request the Minister to look into such allegations where foreign investment is concerned. Such allegations are generally inquired into by CBI. That is my demand. And that is the only point that I am making. Anyhow, I support this enactment because this is for the betterment of the country. Power is very scarce and you should encourage power generation. That encouragement, of course, will be with your Swadeshi spirit now. But when you extend this concession, it should not be misused.

The other thing is, there are backward States. Of course Kerala is not a backward State. It has backward Districts. The Industry Minister is having public enterprises also with him. I will request him to apply his mind because there is a political and social philosophy behind the public sector. That philosophy is of equitable distribution of wealth for development of different areas of the country. Now, the hon. Minister, Shri R.K. Kumar comes from Tamil Nadu. How has Trichy developed? It is because of BHEL. BHEL has gone into many backward Districts. It made those Districts come up. In the same way, your Ministry must be an instrument, the public sector institutions must be an instrument, for the development of backward Districts, by using this benefit. I have been mentioning this specifically beccause we have seen a trend in this country for the last few years, which is, that public sector is bad. This is a very wrong concept. The public sector is not bad at all. Public sector is making profit. Those who believe that public sector is bad, they are not looking into the closure

of private sector units. A large number of private sector units have been closed. They are the largest defaulters of banks, the overall default running into Rs. 15,000 crores. You please find out how much it is. The private sector people loot they money, close their factories and go away. But you are accountable to the Parliament and accountable to the public. That is why you are keeping the public sector go on. Today your investment is of Rs. 1,86,000 crores. This is one of the biggest infrastructures that we have created. So, what I am appealing to you is that while this concession may be extended, there must be some industrialists who go into backward areas, there must be some industrialists who take the advantage of this benefit. You are the Industry Minister, Bakhtji. You should be one major beneficiary of this concession because by extending your authority, your public sector institutions can go into differnt areas. Now, there is a commission that has been appointed, the Disinvestment Commission. The function of the Commission is to close down all the public sector units. I appeal to you, why don't you close it down, not the public sector units, but this commission? Please, close down this Disinvestment Commission. In this way, you would be able to save the public sector units. the whole approach of this Commission is the approach of capitalist industrialists. so, I don't agree with that. As you believe in *swadeshi* ...*(Interruptions)*. I am concluding, Madam. They are all *swadeshi* and I am also a *swadeshi*, So, there is no problem. As you believe in *swadeshi*, I hope you shall not be a party to the disinvestment and closure of all these public sector units. I wish that you would try your level best to run these institutions because it only can maintain the price line. Look at the cement industry; look at the steel industry. Madam, In kerala, we are getting steel at a uniform price. Sometimes, it is taken away. As Kerala is in the deep South, we give more price than anybody in this country because it travels all the way to Kerala. Madam, cement has also the same problem. So, what I am suggesting is that you should utilise these provisions and take benefits of this concession which has been given by the Government in respect of private industries as well as public sector industries. I hope the Leader of the House who is also the Minister of Industries will take full advantage of it. With these words, I extend my support to this Bill.

THE DEPUTY CHAIRMAN: Now, with this *deshi, swadeshi* and *videshi.* let us go to Shri Raghavji. Are you definitely going to speak or shall we...

SHRI RAGHAVJI (Madya Pradesh): Yes, Madam.

THE DEPUTY CHAIRMAN: If you are going to support, then what is there?

SHRI RAGHAVJI: I am supporting it.

THE DEPUTY CHAIRMAN: Then you say that you support it Why do you have to speak on it. if there is no objection? I think, for the first time. be co-operative with the Government.

श्री राघवजी: महोदया, मैं पांच मिनट से ज्यादा समय नहीं लूंगा। उपसभाध्यक्ष महोदया, माननीय वित्त राज्य मंत्री श्री कुमार जी ने जो आयकर संशोधन विधेयक, 1998 प्रस्तुत किया है, उसका समर्थन करने के लिए मैं खड़ा हुआ हूं। जब मैंने बुलेटिन में कुछ सूचनाएं पढ़ी कि कुछ माननीय सदस्य इसका डिसअप्रूवल भी करना चाहते हैं तो मुझे कुछ आश्चर्य हुआ क्योंकि उन्हीं के द्वारा यह अध्यादेश लाये गये थे और वह कैसे डिसअप्रूवल कर सकते हैं? लेकिन गनीमत है और शायद यही कारण है कि वह उपस्थित नहीं हुए हैं क्योंकि इसके विरोध में यहां पर बोलने के लिए उनके पास कुछ नहीं है। महोदया, इसमें जो प्रावधान हैं, वह कुछ रियायतें देने के हैं, कुछ रियायतें बढ़ाने के हैं इसलिए इसमें विरोध करने की कोई गुंजाइश नहीं है। इसमें धारा 32 का जो संशोधन है, वह डैप्रीसिएशन के मामले में है जो तर्कसंगत है और शायद विद्युत उत्पादकों के जो प्रतिष्ठान हैं, उनकी अपेक्षाओं के अनुरूप है इसलिए उसमें कोई विरोध करने की गुंजाइश नहीं है। इसी प्रकार से धारा 80 में भी कुछ संशोधन प्रस्तावित किये गये हैं। धारा 80 के जो संशोधन हैं, यह मिनिरल ऑयल के उत्पादकों के पहले केवल उत्तर पूर्वी राज्यों में सुविधाएं मिलती थीं, अब उनका क्षेत्रीय दायरा बढ़ा दिया गया है।

अब पूरे देश भर के जितने भी मिनिरल ऑयल उत्पादक होंगे, उनको यह सुविधाएं प्राप्त होंगी। यह अच्छी बात है। इसी प्रकार से नेशनल हाइवे और इलैक्ट्रिक जैनरेशन-इनमें भी जो उद्योग काम कर रहे हैं, उनको छूट की व्यवस्थाएं की हैं। देश में इस बात की विशेष आवश्यकता है कि विद्युत का उत्पादन बढ़े, मिनिरल ऑयल का उत्पादन बढ़े और इसी प्रकार से हाइवे अधिक बनें। लेकिन अभी तक यह देखने में आया है कि इससे पहले भी जो रियायतें उपलब्ध थीं, उन रियायतों का भी लगता है कि कोई विशेष उपयोग नहीं हुआ है क्योंकि इन तीनों क्षेत्रों में कोई भी वृद्धि नहीं हुई है। महोदया, आप देखेंगी कि नेशनल हाइवे की जो लम्बाई आज से दस वर्ष पहले थी, उसमें मुश्किल से 50 किलोमीटर की वृद्धि हुई होगी। इसी प्रकार से मिनिरल ऑयल के उत्पादन में भी वृद्धि नहीं हुई है, विद्युत उत्पादन में भी वृद्धि नहीं हुई है। इसीलिए मेरे मित्र वायालार रवि जो कह रहे थे कि इसका मिसयूज़ हो सकता है, इस संबंध में मुझे तो यह कहने की जरूरत महसूस हो रही है कि इसका यूज़ ही नहीं हो रहा है। इसलिए वित्त मंत्रालय को यह देखना चाहिए कि इसका आगे यूज़ होता है कि नहीं होता है क्योंकि रियायतें देने के बावजूद भी अगर इसका उपयोग नहीं हो रहा है तो रियायतें देने का कोई मतलब नहीं रहता है। इसलिए इस बात की मॉनिटरिंग होनी चाहिए कि रियायतें हों और अगर उसमें कोई कमी है तो उस कमी को दूर करें ताकि उसका उपयोग हो। नेशनल हाइवे की लम्बाई बढ़े, बिजली का और मिनिरल ऑयल का उत्पादन बढ़े, इस बात की आवश्यकता है। पिछड़े क्षेत्रों के बारे में जो माननीय मंत्री जी ने आश्वासन दिया है वह बहुत जरूरी है कि इसका पुनर्विचार होना चाहिए।

बहुत समय पहले के बने हुए पिछड़े क्षेत्र हैं। अब इसमें कुछ क्षेत्र अगड़े हो गए होंगे और कुछ नये क्षेत्रों को जोड़ने की आवश्यकता होगी। इसलिए इसका रिव्यू होना चाहिए और रिव्यू होने से इसका अधिक लाभ हो सकेगा क्योंकि इस बात की बहुत आवश्यकता है। ग्रामीण क्षेत्रों की आबादी धीरे-धीरे शहरों की ओर बढ़ती जा रही है। जब देश आजाद हुआ था तब ग्रामीण क्षेत्रों में रहने वालों का प्रतिशत 82 प्रतिशत था और आज के दिन में वह प्रतिशत घटकर 70 प्रतिशत रह गया है। यह 12 प्रतिशत की आबादी ग्रामीण क्षेत्रों से शहरों की ओर क्यों बढ़ी है, इसके बारे में आप सब जानते हैं। बड़े-बड़े शहरों में उद्योग बढ़ते हैं तो इससे पर्यावरण बहुत दूषित होता है इसलिए पिछड़े क्षेत्रों में और विशेषकर ग्रामीण क्षेत्रों में उद्योग-धंधे बढ़े, इस बात की बहुत आवश्यकता है और इसके लिए जो सुविधाएं यहां पर उपलब्ध कराई गई हैं, उनका मैं स्वागत करता हूं।

मैं एक-दो बातें और कहना आवश्यक समझता हूं वित्त मंत्रालय बहुत बड़ा मंत्रालय है और हमें कभी-कभी तकलीफ होती है कि इसमें रैड टेपिज्म बहुत है। अब नई सरकार आई है और इस संशोधन विधेयक का लाभ ले कर मैं मंत्री जी का ध्यान इस ओर आकर्षित करना चाहता हूं कि कम से कम आप ये रैड टेपिज्म तो खत्म कर दीजिए। ऐसे मैं दो-चार उदाहरण बता सकता हूं। पांच वर्ष पूर्व मैंने माननीय वित्त मंत्री जी को पत्र लिखा था, मंत्री बदल गए और वे बार-बार यह लिखते रहे कि मैं मामले को दिखवा रहा हूं और मामले को कभी देखा ही नहीं गया। बार-बार रिमाइण्डर देने पर वे वही पत्र बार-बार देते रहे। इसलिए आप अधिकारियों को इस बात के लिए सचेत कीजिए कि कम से कम जो संसद सदस्य 10-10 लाख मतदाताओं का प्रतिनिधित्व करके सदन में आता है, उनके पत्रों को वे थोड़ा गम्भीरता से लिया करें। उसमें जो कुछ भी बातें लिखी गई हैं उनका निराकरण जितनी जल्दी से जल्दी हो सके उतनी जल्दी से जल्दी किया करें। और अगर निराकरण सम्भव नहीं हो सकता है तो कम से कम एक जवाब अवश्य दें कि वह निराकरण सम्भव क्यों नहीं है। आज इस बात की ज्यादा आवश्यकता है। यह जो वित्त मंत्रालय में कमी है, इस कमी को नई सरकार दूर करेगी इसकी मैं पूरी उम्मीद करता हूं।

मैं इस बात को इस सदन में बार-बार कहता रहा हूं कि आयकर विधान बहुत पुराना हो गया है। यह 1961 में बना था और इसमें बहुत संशोधन किए जा चुके हैं। जो मूल आयकर विधान है वह तो पता नहीं कहां खो गया, उसको ढूंढना भी कठिन हो जाता है। माननीय मंत्री जी तो स्वयं इस बात को अच्छी तरह से जानते हैं कि वह कितना जटिल आयकर विधान बन चुका है। नये आयकर विधान का ड्राफ्ट तैयार हो चुका है और उसमें भी कुछ संशोधन करने की जरूरत है। इसलिए माननीय मंत्री जी आप उसके लिए एक विशेषज्ञ कमेटी बैठाकर फिर से उसकी जांच करवा लें क्योंकि पुरानी सरकार ने उसको बनाया है। उसमें कई कमियां हैं उन कमियों को दूर करके जल्दी से जल्दी एक नया आयकर विधान इस सदन के अन्दर प्रस्तुत करें ताकि उसकी जो कठिनाइयां हैं, जो जटिलताएं हैं वे जटिलताएं दूर हों। आयकर एक हौवा है, ऐसा हौवा बने रहने का जो दृश्य है वह आयकर दाताओं के सामने उपस्थित नहीं होना चाहिए। इस बात के लिए यह जरूरी है कि उसको सरल करें। उसको इस प्रकार से प्रस्तुत करें जिससे कि आयकरदाताओं की जो कठिनाइयां हैं वे कठिनाइयां दूर हो सकें। जो इवेजन का रास्ता है उस इवेजन के रास्ते में

भी कमी हो जाये या खत्म हो जाये। इस बात के लिए मैं आग्रह करूंगा कि एक नया आयकर विधान जल्दी से जल्दी इस सदन में यह नई सरकार प्रस्तुत करे। इन्हीं बातों के साथ जो आयकर विधान संशोधन अधिनियम प्रस्तुत किया गया है, उसका मैं समर्थन करता हूं।

SHRI E. BALANANDAN (Kerala): Sir, I appreciate the Government's attempt to bring forward the Income-Tax (Amendment) Bill, 1998, as passed by the Lok Sabha in order to regularise Ordinance No. 28. However, with your permission, Sir, I ask the Minister to clarify one point before going into the details of this Bill. Regularising the Ordinances is a must, normally. May I refer to the other two ordinances, one Ordinance No. 25 of 1997, Employees Provident Fund and Miscellaneous Provisions Amendment and the second also an Ordinance which affects the working class?

The second one which also affects the working class is with regard to Payment of Gratuity. This is Ordinance No. 26 of 1997. These two Ordinances, as you know, affect the working class of the country. I do not know as to what is the fate of these Ordinances. Mr. Minister, you will be able to explain to the House as to what is going to be their fate. Now coming to the new legislation, I would like to say that the objectives are very clear. The first point is that you want to give concessions to projects of power generation and distribution. You also want to give concessions to the Electricity Boards. But, I must tell the Minister that these private entrepreneurs who are being invited will not solve our power problem. The Government thinks that they will solve the power problem. Do not think that the concession that you give them will be passed on to the consumer. it will not be passed on. They will take it into their pockets straight. The concessions being given to the Electricity Boards is a correct step. I do not say much, rather it is wrong. But, do not expect too much from the private entrepreneurs that they are going to pass on the concessions to the consumer. I can understand the anxiety of the Government to develop the power sector in this country and day in and day out the new Minister of Power is announcing certain things. As you know, Sir, if you touch electricity without care, it gives you a shock. The new Minister who has taken the charge of power is declaring day in and day out many concessions. Very good. He wants to come to limelight. He is doing something new. The point that I want to make is that India is a big country. It is a sub-continent. We are bestowed with the cheapest energy source, that is, the hydel resources in the northern part of the country. In the central part of India and in many other areas, we have abundance of coal. I do not want to deal with it now. I am not going into the details of this subject. But, at the same time, I would say that the energy projects which are being contemplated by independent power producers, are getting the primary energy, that is, coal or gas from abroad. Coal or gas is being brought from abroad. What does it mean? The policy is that our own natural resoruces must be given the first priority or the second priority because they are the cheapest sources of energy. The last chance should be given to foriegn inputs for this kind of a development. Sir, firstly, we want power. secondly, we want the cheapest power. For that two things should not be forgotten. It may not be your subject to give me all the answers. I do not expect that. I only want to give a warning because these things are related to power. We want cheap power and we want indigenous technology. We have developed the technology which can compete in the world at least in the power sector. Therefore, full utilisation of this capacity should also get the first priority. These are the remarks I wanted to make here to be kept in mind when we take up the question of power later. Then we can discuss it further.

Coming to the aspect of giving concessions to mineral and oil development, I have no objection. They

may be given. Another thing is about new industries which are being started in underdeveloped areas. That is also not a bad concept. Especially, when an industry is in a backward area, some incentive has to be given to the new entrepreneurs. It is not a bad step. There also, I want to oring to your kind notice is certain thing. The so-called criteria of backwardness—categories A and B—had been worked out long before. My State is a small State, and it is industrially backward. Industries do not come there because of the so-called criteria of categories A and B. They do not come to us. Luck never comes to the South. And if at all it does, it will not reach the State of Kerala. Sir, that is the experience we are having. That is why I say, when you bring in this step, as it is, I think it is not a bad one. it is a correct step. But, I do think that it is necessary that the Government should interfere to see that the backward areas are brought up and the level of their industrialisation develops. That is the national agenda. Do not forget that. Now, you are going to give independence to the State Governments for inviting Foreign Direct Investment in each State in the name of State's power. I tell you Mr. Finance Minister,—you are handling finance too--that is also a dangerous area. I must warn you. What did Foreign Direct Investment mean finally in the East-Asian countries? It ruined those countries. They have become beggars. So, it is nice to hear that the State Governments have been given more powers. But for what? To bring in Foreign Direct Investment! They are not coming here to help you. Since Indians are very poor. They know that, and they are coming here to loot us, to get profit for themselves. They have their own ideas, their own agenda. Why do we allow the State Governments to do this? When you say 'autonomy to the State' 'maximum freedom to the State'. etc., I am supporting that. But in respect of certain sectors, there must be a national agenda. Your nation cannot be put to wrong by wrong measures. Therefore, these questions are to be taken care of by the Government while getting this Bill passed.

With these remarks, I support the Bill.

THE VICE-CHAIRMAN (SHRI SANTAN BISI): Hon. Members, I have to participate in the discussion. I will go, participate in the debate and then again will come back. So, I take the permission of the House. Shri Vayalar Ravi would be presiding.

The Vice-Chairman (SHRI VAYALAR RAVI) *in the Chair.*

THE VICE-CHAIRMAN (SHRI VAYALAR RAVI): The next speaker is Shri Sanatan Bisi.

SHRI SANATAN BISI (Orissa): Sir, so far as section 80-IA of the Act is concerned, it does mention that backward districts will be provided with incentives. But, so far as the definitions are concerned, the hon. Minister was telling us that they have to be done by the Finance Ministry. The other thing that was said is that the determination will be done later on. Unless and until 'backward districts' are defined in this Bill itself which we are discussing presently, probably, the incentive mentioned in the statement of objects will be vitiated. I would also like to point out that 'backward districts of category A' and 'backward districts of category B' have also not been defined.

Another thing to which I would like to draw the attention of the hon. Minister is that as per the Annual Report of Industries, 1994-95 in the State of Orissa places called Chattarpur in Ganjam district, Chiplima of Sambalpur district, Duburi of Cuttack district, and Kesinga of Kalahandi district, have been identified as backward areas.

Then, there was a question in this House, that is, question No 2804, dated 30th March, 1995, which contained a list of 120 identified backward districts. These 120 districts: Koraput, Mayurbhanj, Cuttack, Sambalpur, Sundargarh Kalahandi, Keonjhar Ganjam, Phulbani of Orissa. I would like to know from the hon. Minister what definition he is going

to make for backward districts as mentioned in the Annual Report and Question No. 2804. Unless and until it is defined, how can incentives be granted? These were the three questions I wanted to know.

Thank you, Sir.

The VICE-CHAIRMAN (SHRI VAYALAR RAVI): The next speaker, Prof. Ram Kapse is absent. And Mr. Ram Nath Kovind is also absent.

(The Vice-Chairman, (SHRI SANATAN BISI) *in the Chair.*

SHRI R.K. KUMAR: Mr. Vice-Chairman, Sir, I am indeed grateful to hon. Members for the suggestions. I will deal with each one of them. Hon. Mr. Vayalar Ravi talked about the origin of this Bill. This Bill was orginally introduced on 14th August, 1997 in the other House, but could not be passed in that session, necessitating the promulgation of an Ordinance, containing the same provisions, on 14.9.97. Again, before that Ordinance could be placed before the other House to get it passed, the Lok Sabha was dissolved and this Ordinance was re-promulgated on 26.12.97. So, on 30.3.98 it was presented before the other House and it has been passed. Sir, with regard to the suggestion dealing with tax concession, I would say that, no doubt, it would be given but the misuse of it should be avoided. From my own experience I have seen that whenever some subsidy or some concession is given, it does happen in many cases that the units are started only with a view to get this benefit and the company becomes sick.

Now, the case in point is that there is an industrially backward area called Ranipet near Chennai where many units get 15 per cent State subsidy. And for getting even that they have to travel 120 miles. Their production is stopped; and they incur losses. At the same time, this is a measure for removal of backwardness in certain districts of this country. By extending this benefit we are encouraging development of the country. But as regards misuse, then a person goes in for finance, the entire business is not financed by banks and other financial institutions. They are directed to take safeguards. This is not merely to take advantage of the concessions like we give in the case of subsidy. Sir, we have a very able parliamentarian, hon. Shri Vayalar Ravi, who talked about corruption in power generation, distribution, etc. I would like to share with this august House a very important anecdote. Sir, thirty years back as a young budding Chartered Accountant I went to audit a large number of powerlooms situated near Erode in Tamil Nadu I found crores of rupees on the production and sales side. But, on the debit side of the Profit and Loss Account there was no electricity expense at all. I questioned the partners of the firm, "How are you producing and selling so much of powerloom manufactured fabric with no electricity expense"? 5.00 P.M.

I was told, "As an auditor, you better worry about the expenditure which is there and ask for a voucher; if there is no expenditure, why are you questioning?". Therefore, this has been going on.

Unfortunately, as the Minister in charge, as the Minister of State for Finance, I have no control over improvement in the area of power generation or distribution or line losses or other malpractices. But I have taken note of the point that has been made and I would certainly convey. Being an able Parliamentarian, Mr. Vayalar Ravi has used this opportunity to bring into focus the various aspects about power generation. Certainly, I would convey it to the Minister concerned.

As regards the suggestion made by Shri Raghavji, certainly, my endeavour would be to reduce redtapism. Hon. Members of Parliament like Shri Dipankar Mukherjee know how I operate. I do not allow things to linger on. If I get a letter, within a day, I must get a proper answer so that I could convey it to the Member concerned.

Sir, it would be my endeavour to cut down redtapism. I firmly believe in doing so. As you know, formulation of any policy or enactment of any new law or regulations takes a lot of time. In the meanwhile, what do we do? Why should we not implement, in a faster manner, the existing laws and regulations made by Parliament? This would be my endeavour. I would certainly try to do it.

I have taken note of the suggestion made by Shri Balanandan about the other two Ordinances. All I can say is that his suggestion would be conveyed to the proper quarters.

As regards the point made by you, Sir, concerning backwardness, I would like to point out that it has been done on the basis of a Committee's report which has been notified already in the Gazette. It is laid down as to which are the backward districts in each State. As I said in the beginning, if any review is required, if any other suggestions are made, whether in regard to the system of selection, the system of identification, of backward districts, or, in regard to the list of backward areas, we will consider. We have an open mind on this. As the Finance Minister has committed himself to in the other House, we have an open mind in regard to making changes.

Just one final thing, Sir. Just as in the case of a new Member making his maiden speech, this is the maiden Bill which I am moving. I take this opportunity to thank all the hon. Members for their co-operation.

THE VICE-CHAIRMAN (SHRI SANATAN BISI): Very well done.

I shall now put the Motion for consideration to vote. The question is:

"That the Bill further to amend the Income-Tax Act, 1961, as passed by Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRI SANATAN BISI): We shall now take up clause-by-clause consideration of the Bill.

Clause 2 to 4 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI R. K. KUMAR: Mr. Vice-Chairman, Sir, I move:

"That the Bill be returned."

The question was put and the motion was adopted.

RESIGNATION BY MEMBER

THE VICE-CHAIRMAN (SHRI SANATAN BISI): Hon. Members: I have to inform the House that the hon. Chairman has received a letter from Shri Somappa R. Bommai, Member representing the State of Orissa, resigning his seat in the Rajya Sabha. The hon. Chairman has accepted his resignation with effect from 2nd April, 1998.

VALEDICTORY REMARKS

THE VICE-CHAIRMAN (SHRI SANATAN BISI): I have to make some concluding remarks.

The session commenced on Wednesday, the 25th March, 1998, and we have had six sittings spread over more than 32 hours.

During the session, there was a detailed discussion on the Motion of Thanks on the President's Address.

Twenty-five Reports of various Parliamentary Committees were presented or laid on the Table of the House.

During the session we have returned seven Government Bills.

Two Resolutions regarding Railway Convention Committee's recommendations were adopted.

There were two Statements by Ministers, which occasioned seeking of a number of clarifications by Members.